



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

April 1, 2004

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

QUARTERLY REPORT ON COMMUNITY REDEVELOPMENT AGENCY (CRA) ACTIVITY (FIRST QUARTER 2004)

In response to the increased level of CRA activity in the County and this office's augmented role in analyzing and scrutinizing these activities, we provided your Board with an initial "Quarterly Report on CRA Issues" on October 12, 2000. Attached is the latest Quarterly Report, covering activities during the first quarter of the calendar year. As we indicated in our initial report to your Board, and consistent with the Board-approved policies and procedures, this office works closely with the Auditor-Controller, County Counsel, and appropriate Board offices in: analyzing and negotiating proposals by redevelopment agencies to amend existing redevelopment agreements; reviewing proposed new projects for compliance with redevelopment law, particularly blight findings and determining appropriate County response; and ensuring appropriate administration of agreements and projects.

The attached report reflects a summary of the following activities during the quarter:

- Notifications provided to the Board regarding new projects;
- Board letters/actions; and
- Major ongoing issues and other matters, including litigation.

Please let me know if you have any questions, or your staff may contact Robert Moran or Jerry Ramirez at (213) 974-1130 or (213) 974-4282, respectively.

DEJ:LS
MKZ:JR:nl

Attachment

c: Auditor-Controller
County Counsel

COMMUNITY REDEVELOPMENT AGENCY (CRA) ISSUES
Quarterly Report – First Quarter 2004 – March 31, 2004

New CRA Projects - Routine Notifications/Reports Provided to Board

CRA Projects	District	Type of Notification	Date
La Puente Redevelopment Project, City of La Puente (See Below)	First	Initial Study	March 30, 2005

Board Letters/Actions During Quarter

CRA Projects	District	Action	Date of Board Action
Merged Central Business District and West End Redevelopment Project Area- City of Azusa	First	Approval of ordinance and amendment to Agreement for Reimbursement of Tax Increment Funds.	January 6, 2004

Major Ongoing or Emergent CRA Issues

Azusa (First District)

Issue: The City adopted the Merged Central Business District and West End Redevelopment Project on October 6, 2003. The project included the inclusion of three unincorporated County parcels. In order for Agency to commence redevelopment activities on these parcels, Board approval of Agency's redevelopment plan was required. Also, the Agency requested Board approval of an amendment to an existing agreement with the County to eliminate an annual tax increment limit and replace it with a project cap.

Status: The Board approved both the redevelopment plan for County parcels and the amendment to the existing agreement on January 6, 2004.

Glendora (Fifth District)

Issue: CAO received Initial Study for Redevelopment Project No. 5 for the Glendora Community Redevelopment Agency. The proposed project would merge the Agency's four existing redevelopment areas in the City, add new territory, and establish the authority to purchase non-residential real property through eminent domain in all five areas. The added area comprises approximately 309.56 acres.

Status: Staff met with City and advised them that the proposed project area does not appear to meet blighting requirements consistent with Redevelopment Law. City expressed interest in a joint redevelopment project and/or pursuit of the merger of their existing redevelopment projects independent of project expansion. Staff will continue to work with City and study County impact of any proposals.

La Puente (First District)

Issue: CAO received the Notice of Preparation for a new Redevelopment Project. The new project includes approximately 275 acres.

Status: CAO staff will review project consistent with redevelopment policy adopted by the Board.

Litigation

Los Angeles - City Center (First and Second Districts)

Issue: Agency adopted the City Center Redevelopment Project on May 15, 2002. This project of approximately 880 acres in Downtown Los Angeles reestablishes as a new project much of the existing Central Business District (CBD) Project, which has reached its court-validated project cap.

Status: The County filed a lawsuit objecting to the Project on the basis that it violates the court-validated project cap on the CBD Project, and improperly includes 30 acres of non-blighted parking lots surrounding the Staples Center. The trial judge issued a final decision invalidating the project. The judge's decision cites the court-validated project cap and the inconsistency of permitting the City to evade the effect of that limitation. The City has appealed the decision.

Los Angeles - Central Industrial (First and Second Districts)

Issue: The City adopted the Central Industrial Redevelopment Project on November 15, 2002. The project includes approximately 744 acres of primarily industrial areas located in the southeast section of Downtown Los Angeles. Similar to the City Center Project, the Central Industrial Project includes detachment of parcels from the CBD Project.

Status: Similar to City Center, County filed lawsuit objecting to the Project on the basis that it violates the court-validated project cap on the CBD project. On September 19, 2003, the court issued a ruling invalidating the project. The City has appealed the decision.

Legislation

SB 1382

Issue: This Bill is sponsored by the County and would require redevelopment agencies to provide counties with the Preliminary Report (which includes the blight study, listing of proposed projects, and financial analysis) at least 90-days prior to the Joint Public Hearing for project adoption.

Status: The Bill is scheduled for a hearing on April 21, 2004. The County has accepted minor amendments recommended by redevelopment interests to grant limited waivers of the requirements.

Overall CRA Statistics

Active CRA Projects	307
Pending CRA Projects	16